



**Congressional  
Research Service**

Informing the legislative debate since 1914

---

# Yemen: Background and U.S. Relations

**Jeremy M. Sharp**

Specialist in Middle Eastern Affairs

February 6, 2014

**Congressional Research Service**

7-5700

[www.crs.gov](http://www.crs.gov)

RL34170

# Report Documentation Page

Form Approved  
OMB No. 0704-0188

Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

1. REPORT DATE <b>06 FEB 2014</b>		2. REPORT TYPE		3. DATES COVERED <b>00-00-2014 to 00-00-2014</b>	
4. TITLE AND SUBTITLE <b>Yemen: Background and U.S. Relations</b>				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) <b>Congressional Research Service, The Library of Congress, 101 Independence Ave, SE, Washington, DC, 20540</b>				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT <b>Approved for public release; distribution unlimited</b>					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19a. NAME OF RESPONSIBLE PERSON
a. REPORT <b>unclassified</b>	b. ABSTRACT <b>unclassified</b>	c. THIS PAGE <b>unclassified</b>			

## Summary

This report provides an overview and analysis of U.S.-Yemeni relations amidst evolving political change in Yemeni leadership, ongoing U.S. counterterrorism operations against Al Qaeda in the Arabian Peninsula (AQAP) operatives at large in Yemen's hinterlands, and international efforts to bolster the country's stability despite an array of daunting socio-economic problems. Congress and U.S. policymakers may be concerned with prospects for stabilizing Yemen and establishing strong bilateral relations with future Yemeni leaders.

On November 23, 2011, after eleven months of protests and violence that claimed over 2,000 lives, then President Ali Abdullah Saleh of Yemen signed on to a U.S.-backed, Gulf Cooperation Council (GCC)-brokered transition plan. In line with the plan, Yemen held a presidential election in February 2012 with one consensus candidate on the ballot—former Vice President Abed Rabbo Mansour al Hadi. He received 6.6 million votes and, on February 25, 2012, he was inaugurated before parliament.

Many Administration officials have declared that AQAP, the Yemeni-based terrorist organization that has attempted on several occasions to attack the U.S. homeland, is the most lethal of the Al Qaeda affiliates. In recent years, the Administration and Congress have supported an increased U.S. commitment of resources to counterterrorism and stabilization efforts there. Many analysts assert that Yemen is becoming a failed state and safe haven for Al Qaeda operatives and as such should be considered an active theater for U.S. counterterrorism operations. Given Yemen's contentious political climate and its myriad development challenges, most long-time Yemen watchers suggest that security problems emanating from Yemen may persist in spite of increased U.S. or international efforts to combat them.

Overall, the Obama Administration remains cautiously optimistic about Yemen's trajectory. The State Department reports that the United States has committed \$256 million in assistance to Yemen to date in FY2013, in addition to the more than \$356 million allocated in FY2012. In December 2013, the Department of Defense notified Congress of its intent to spend \$64 million in FY2014 Section 1206 funds on precision strike aircraft, unmanned aerial surveillance, and training for Yemen's national military forces. P.L. 113-76, the FY2014 Omnibus Appropriations Act, states that "None of the funds appropriated by this Act for assistance for Yemen may be made available for the Armed Forces of Yemen if such forces are controlled by a foreign terrorist organization, as designated pursuant to section 219 of the Immigration and Nationality Act."

## Contents

Overview.....	1
Yemen’s Ongoing Political Transition .....	2
Restructuring the Yemeni Armed Forces.....	4
Al Qaeda in the Arabian Peninsula (AQAP).....	4
The Economy, Sustainable Development, and International Aid .....	6
International and Saudi Arabian Aid to Yemen .....	7
Iranian Involvement in Yemen?.....	7
Obama Administration Policy toward Yemen.....	8
Yemeni Detainees at Guantanamo Bay .....	9
U.S. Assistance .....	10

## Figures

Figure 1. Map of Yemen .....	2
Figure 1. Yemen’s Political Transition.....	3

## Tables

Table 1. U.S. Foreign Aid Allocations to Yemen, FY2009-FY2014 Request.....	11
--	----

## Contacts

Author Contact Information.....	11
---------------------------------	----

## Overview

Violent unrest threatened to drag Yemen back into civil war in 2011, but in the years since, the country has undergone one of the only relatively peaceful transitions in the wider region—from the rule of former President Ali Abdullah Saleh<sup>1</sup> to what many hope will be a pluralistic democracy. Under interim President Abed Rabbo Mansour al Hadi and with the backing of the international community, the transition process is moving forward. However, Yemen's political transition is incomplete, competing power brokers continue to shape events, and Al Qaeda in the Arabian Peninsula (AQAP) and Shiite insurgents<sup>2</sup> still threaten the security of the state. President Hadi has somewhat curtailed the power of independent officers and Saleh relatives in the military. During Hadi's tenure, Yemen has completed a National Dialogue Conference (see below), one of the most representative political bodies in its history.

Yemen is still threatened by terrorist and regional insurgent violence and racked by systemic socio-economic and environmental problems, including food and water scarcity. Key international actors—such as the Gulf Cooperation Council (GCC), European Union, Japan, and the United States—appear to be largely united in seeking a successful transition in Yemen. Donors pledged more than \$7.5 billion to Yemen in late 2012, of which nearly half came from Saudi Arabia, which has historically sought to limit the potential for its more populous neighbor to threaten the kingdom's security.

Though Yemen may be moving quietly forward, its long term, interrelated challenges remain daunting. If the political transition<sup>3</sup> does not proceed in a timely fashion, many analysts expect regional insurrections in the north and south<sup>4</sup> to intensify. Without physical security, the country

---

<sup>1</sup> On November 23, 2011, after 11 months of protests and violence that claimed over 2,000 lives, then-President Ali Abdullah Saleh of Yemen signed on to a U.S.-backed, Gulf Cooperation Council (GCC)-brokered transition plan. As part of the plan and in return for his resignation, Saleh and his family were granted immunity from prosecution and the former president was able to retain his role as head of the General People's Congress (GPC), the former ruling party. After a 90-day transition period, Yemen held a presidential "election" in February 2012 with one consensus candidate on the ballot—former Vice President Abed Rabbo Mansour al Hadi. Al Hadi received 6.6 million votes and, on February 25, 2012, was inaugurated as president.

<sup>2</sup> In the north, a revolt has been raging for nearly a decade in the northernmost governorate of Saa'da. This is often referred to as the Al Houthi conflict because it is led by the Al Houthi family, a prominent Zaydi religious clan who claim descent from the prophet Mohammed. Houthis believe that Zaydi Shiism and the Zaydi community have become marginalized in Yemeni society for a variety of reasons, including government neglect of Saa'da governorate and Saudi Arabian "Wahhabi" or "Salafi" proselytizing in Saa'da. They have repeatedly fought the Yemeni central government. In 2009, the Houthis fought both Yemen and Saudi Arabia. The Saudi government staged a cross border military intervention inside Yemen in response to reported infiltration by Al Houthi fighters into southern Saudi Arabia. Since late 2013, Houthi-Salafi clashes have reignited in the north, leading to the death of over 200 people and raising the possibility of wider civil conflict during a delicate period of transition. The town of Dammaj has been the focal point for these clashes due to the presence there of a Saudi-backed Salafi seminary which often functions both as a religious institution and military base.

<sup>3</sup> A recent *New York Times* article notes that former President Saleh still plays a powerful political role from behind the scenes. According to the report, "Even the current president, Abdu Rabbu Mansour Hadi, who was Mr. Saleh's deputy for 18 years, has accused him of orchestrating the attacks on oil and power lines that scourge Yemen's economy and cast an aura of incompetence on the new administration. Diplomats at the United Nations have accused "elements of the former regime" of playing an obstructive role, and have even hinted at possible sanctions on the former president." See, "Even out of Office, a Wielder of Great Power in Yemen," *New York Times*, January 31, 2014.

<sup>4</sup> Southern Yemenis have long been disaffected because of their perceived second-class status in a unified state from which many of their leaders tried to secede during the civil war in 1994. Civil unrest in Yemen's southern governorates (continued...)

cannot attract foreign investment, the government cannot spur economic growth, and political unrest may recur.

**Figure 1. Map of Yemen**



**Source:** Map Resources. Adapted by CRS (July 2010).

## Yemen's Ongoing Political Transition

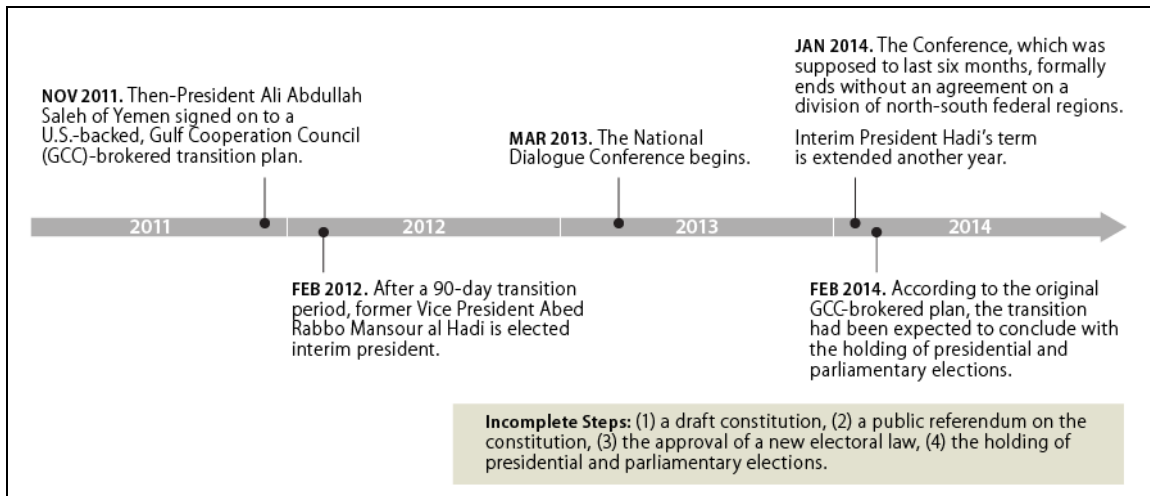
In January 2014, after ten months of talks, Yemen's National Dialogue, a forum intended to reach broad national consensus on a new political order, officially concluded without agreement between northern and southern politicians on how to organize a new federal system of governance. Yemen was formerly divided into two states, northern and southern, and the two regions fought a bitter conflict after unification in the early 1990s. The holding of a United Nations-backed National Dialogue Conference has been part of Yemen's overall political

(...continued)

reemerged in 2007, when civil servants and military officers from the former People's Democratic Republic of Yemen (PDRY) began protesting low salaries and the lack of promised pensions. Since then, what started as a series of demonstrations against low or non-existent government wages has turned into a broader "movement," known as the Southern Mobility Movement (SMM or, in Arabic, Al Harakat al Janubi or Hirak). The SMM is divided between secessionist forces, federalists, those seeking external aid, and southern nationalists who disavow foreign support for their cause.

transition from the regime of former President Saleh to a supposed democratic system of governance. The conference brought 565 representatives from Yemen's various political groups together to reach agreement on thorny political issues, such as power sharing between northern and southern regions, among other things.

**Figure 2. Yemen's Political Transition**



**Source:** CRS Graphics.

The conference, which was supposed to end four months earlier according to the official transition timeline, concluded with President Hadi forming a committee (which he will lead) to determine whether Yemen should be divided into two or six federal regions. Southern Yemenis favor a two-region system, believing it will put them on more equal footing with the traditionally more politically dominant north while securing their access to a larger share of Yemen's oil resources, which are located in the south. As the dialogue was wrapping up, one delegate from the disaffected northern region of Sa'ada was shot dead on his way to the conference. On the same day, another delegate from the country's main Islamist party was targeted in a car bomb but was unharmed.

Yemen's entire political transition was to end in February 2014, but at the conclusion of the National Dialogue, participants supported a presidential decree extending President Hadi's term by another year, presumably until February 2015. According to Jamal Benomar, the United Nations Special Adviser on Yemen, "The old regime is still very deep and some elements feel that they have been induced to give up a lot....They have a lot of resources and believe they can turn back the clock. The gains achieved in this transition could easily evaporate."<sup>5</sup> Yemeni legislators and other politicians have yet to write a new constitution, hold a public referendum on its approval, write a new electoral law, and hold presidential and parliamentary elections. In sum, Yemen's transition could take several additional years.

<sup>5</sup> "Yemen Transition aims for Consensus over Confrontation," *Financial Times*, February 4, 2014.

## Restructuring the Yemeni Armed Forces

In addition to the challenge of reaching agreement on power sharing between regions and the capital, one of the hardest tasks in Yemen's incomplete transition is to tackle the issue of civil-military relations. The United States and most other international actors favor helping move the country away from a system in which control of the armed forces is in the hands of individual warlords and toward centralized control by elected officials. President Hadi has adeptly and gradually been removing former Saleh family members from the heads of Yemen's various security agencies. In 2013, Hadi appointed Saleh's son Ahmed, who headed the Republican Guard, as Ambassador to the United Arab Emirates. Another potential rival, Major General Ali Mushin al Ahmar, was appointed adviser to the president for military and security affairs. Hadi then dissolved the Republican Guard entirely and merged its troops into the regular armed forces.

## Al Qaeda in the Arabian Peninsula (AQAP)

The U.S. intelligence community continues to assess that Al Qaeda in the Arabian Peninsula, a U.S.-designated Foreign Terrorist Organization (designated in 2010<sup>6</sup>) operating in Yemen, poses a significant threat to homeland security and U.S. interests overseas.<sup>7</sup> AQAP has attempted on several occasions to bomb U.S. commercial aircraft and indoctrinate what the intelligence community refers to as "homegrown violent extremists" or HVEs. For the past two years, AQAP has been particularly focused on destabilizing the internationally backed interim Yemeni government, which the group perceives as a tool of Western and Gulf Arab power.

Recent AQAP attempted plots and attacks, or attempts by U.S. citizens to assist AQAP, include:

- In December 2013, a Yemeni court convicted several AQAP members for attempting to assassinate President Hadi by planting remote-activated road-side bombs, which were found and dismantled by security forces.
- In December 2013, AQAP launched a massive assault against a Yemeni Defense Ministry hospital, killing 52 people. However, the group issued an apology for the attack, claiming that a rogue commander disobeyed the group's orders not to carry out the assault against the hospital. Qassim al Raim, AQAP's military commander, stated that "Now we acknowledge our mistake and guilt.... We offer our apology and condolences to the victims' families. We accept full responsibility for what happened in the hospital and will pay blood money for the victims' families."<sup>8</sup>

---

<sup>6</sup> In December 2013, the U.S. Treasury Department's Office of Foreign Assets Control added Yemeni politician Abdulwahab al Hodayqani to its Specially Designated Nationals (SDN) list, alleging that he has funneled money to AQAP, helped it recruit new members, and directed attacks against the Yemeni armed forces. However, al Hodayqani has a significant degree of Yemeni public support and, according to one report, interim President Hadi has said that he would not extradite al Hodayqani if requested by the United States government. See, "US Treasury labels prominent Yemeni Politician a Terrorist," *Christian Science Monitor*, February 3, 2014.

<sup>7</sup> Statement for the Record, James R. Clapper, Director of National Intelligence, "Worldwide Threat Assessment of the US Intelligence Community," Open Hearing before the Senate Select Committee on Intelligence on "Current and Projected National Security Threats Against the United States," January 29, 2014.

<sup>8</sup> "Al Qaeda Branch in Yemen Regrets Hospital Attack," *New York Times*, December 23, 2013.

- In December 2013, 58-year-old Kansas resident Terry Loewen was arrested for plotting to bomb the Mid-Continent Airport in Wichita, Kansas. Loewen was arrested by undercover FBI agents while attempting to use his vehicle in what he thought was a suicide mission. He has been charged with attempting to provide material support to AQAP.
- In October 2013, U.S. officials arrested 25-year-old Marcos Alonso Zea for attempting to travel to Yemen and join AQAP.

For the United States, eliminating the threat posed by trans-national terrorism emanating from Yemen is a key national security priority. Numerous public reports have stated that the U.S. government has employed unmanned aerial aircraft and other military platforms to conduct kinetic strikes against high value targets from within the leadership of AQAP. In addition, United States military and intelligence personnel have worked closely with Yemeni counterparts to train, equip, and assist Yemeni ground forces in reclaiming territory seized in 2011 by AQAP militants. Over the past few years, Yemeni forces have somewhat succeeded in driving AQAP militants out of populated areas in certain southern provinces, and alleged U.S. strikes have degraded AQAP's leadership, including the 2013 AQAP confirmation of the killing of its second-in-command—Saudi national Said al Shihri.<sup>10</sup> However, as a result of their displacement from the southern provinces, AQAP militants have trickled back into the capital and continue to fight asymmetrically.<sup>11</sup>

### **AQAP Plot against the U.S. Embassy in Yemen**

Multiple news services have revealed that U.S. intelligence services intercepted a phone call in late July 2013 between the leader of Al Qaeda's global network, Ayman al Zawahri and AQAP's leader Nasser al Wuhayshi, in which the former urged the latter to carry out large scale terrorist attacks against the United States. In response, Wuhayshi vowed to carry out an attack that would "change the face of history," leading the U.S. State Department to take immediate precautionary measures of issuing a worldwide travel alert and suspending operations in 19 Muslim countries including in Yemen. Many analysts believe that the U.S. Embassy in Sana'a was the main intended target of AQAP's terrorist plot. The State Department also sent home non-emergency personnel and urged U.S. citizens currently living in Yemen to depart immediately. Following the intercept, U.S. military and intelligence agencies reportedly carried out multiple drone strikes against AQAP targets.<sup>9</sup> In October 2013, militants killed a German security guard employed by the German embassy as he was leaving a supermarket.

Some AQAP terrorists remain at large, including Saudi national Ibrahim Hassan al Asiri, who reportedly constructed the "underwear bomb" in the attempted destruction of an airliner in 2009 and a parcel bomb intercepted by British and Saudi intelligence on its way to the United States in 2010. According to John Pistole, head of the U.S. Transportation Security Administration, Asiri has trained other bombers in his methods, and another one of his plots, to destroy an aircraft bound for the United States, was foiled in 2012.<sup>12</sup>

<sup>9</sup> "Embassies Open, but Yemen Stays on Terror Watch," *New York Times*, August 11, 2013.

<sup>10</sup> According to Katherine Zimmerman of the American Enterprise Institute, "The U.S. has been extremely successful at killing al Qaeda, AQAP, and TTP senior leadership.... In Yemen, it has killed senior leader Anwar al Awlaki, USS Cole bombers Abdul Munim al Fathani and Fahd al Quso, AQAP senior operative Mohamed Said al Umdah, spiritual leader Adil al Abab, and deputy leader Said al Shihri. AQAP and the TTP have both been able to regenerate leadership, limiting the long-term impact of U.S. operations. See, Statement of Katherine L. Zimmerman Senior Analyst, Critical Threats Project American Enterprise Institute, Committee on House Homeland Security Subcommittee on Counterterrorism and Intelligence, September 18, 2013.

<sup>11</sup> Katherine Zimmerman, "Yemen Crisis Situation Reports: Update 142," *AEI Critical Threats Project*, July 11, 2012.

<sup>12</sup> "Saudi Suspect in Underwear Bomb Plots Trained Others, U.S. says," *Reuters*, July 19, 2013.

There is a debate over whether alleged U.S. targeted killing of AQAP militants on Yemeni territory is causing a public backlash against the United States that could ultimately limit U.S. counter-terrorism operations there. Several reported U.S. operations have resulted in the deaths of civilians in Yemen over a period of several years and some Yemeni citizens and political leaders have remained outspoken in their criticism of the United States and of the Yemeni government for its cooperation with U.S. counterterrorism agencies. Most recently, in December 2013, a drone strike killed 15 Yemenis traveling in a wedding party. The intended target had been AQAP commander Shawqi Ali Ahmad al Badani, who had allegedly plotted to attack the U.S. Embassy (see above). The British-based Bureau of Investigative Journalism claims that 61-99 people were killed in 16 confirmed drone strikes in Yemen in 2013, and 11-29 of them may have been civilians.<sup>13</sup> After the alleged errant strike against the wedding party, Christof Heyns, United Nations special rapporteur on extrajudicial, summary or arbitrary executions, remarked that “if armed drones are to be used, states must adhere to international humanitarian law, and should disclose the legal basis for their operational responsibility and criteria for targeting.” In December 2013, Yemen's parliament voted to immediately end U.S. drone strikes in Yemen.

## The Economy, Sustainable Development, and International Aid

For years, government neglect, corruption, illiteracy, and population growth have led Yemenis to pursue apparently unsustainable economic development policies. The country now faces extreme water and food scarcity, as ground water reserves are being exhausted due to inefficient agricultural usage and the cultivation of *qat*, a narcotic plant chewed throughout Yemen and the Horn of Africa. In the capital Sana'a in 2011, the rate of water consumption from the local water basin exceeded the rate of natural recharge by a factor of five, and many analysts predict that Sana'a will lack its own ground water resources by 2025.<sup>14</sup>

Government subsidies of oil have led to wasteful consumption, oil smuggling, and huge fiscal deficits. The country lacks the most basic infrastructure, and the economy relies almost exclusively on small subsistence agriculture, remittances, and—most importantly—oil production. Revenues from oil royalties account for between 50%-60% of state revenues. Energy exports account for 87% of exports, making it effectively the only source of foreign currency earnings. If oil production were to dramatically decline or if terrorist attacks hampered investment in the energy sector, the Yemeni government would be deprived of its main source of revenue.

Repeated conflicts throughout the country also have led to widespread humanitarian suffering. According to various figures from international agencies, 10.5 million Yemenis out of a population of 24.8 million are designated as “food insecure.” Some 13.1 million Yemenis reportedly lack access to safe drinking water and sanitation.<sup>15</sup> In the province of Abyan, which

<sup>13</sup> “US drones killed no more than 4 civilians in Pakistan in '13: study,” Reuters, January 21, 2014.

<sup>14</sup> “How Yemen Chewed Itself Dry,” *Foreign Affairs*, July 23, 2013.

<sup>15</sup> [http://www.usaid.gov/sites/default/files/documents/1866/07.11.13%20-%20USAID-DCHA%20Yemen%20Complex%20Emergency%20Fact%20Sheet%20\\_9%20-%20FY%202013.pdf](http://www.usaid.gov/sites/default/files/documents/1866/07.11.13%20-%20USAID-DCHA%20Yemen%20Complex%20Emergency%20Fact%20Sheet%20_9%20-%20FY%202013.pdf)

has been wracked by AQAP-instigated violence, an estimated 82% of the population is food insecure.<sup>16</sup>

## International and Saudi Arabian Aid to Yemen

Yemen is the poorest country in the Arab world and due to government subsidies on water and fuel, it runs high fiscal deficits which require external financing to support. Currently, the fiscal deficit is projected to be nearly 6.8% of GDP, which grew by a mere 0.1% in 2012 after contracting 10.5% in 2011.

Since taking office, President Obama has recognized that the United States cannot be solely responsible for Yemen's development and security. In order to increase donor coordination and widen the scope of support, the United States and Great Britain helped form the Friends of Yemen Group, a multilateral forum of 24 concerned countries that was launched at a January 2010 conference in London. In late September 2012, donors pledged \$1.5 billion for civil society and development at the Friends of Yemen Conference held in New York. Earlier in the month, donors pledged \$6.4 billion for post-election economic reconstruction at a conference in Riyadh co-hosted by Saudi Arabia (which pledged \$3.25 billion), Yemen, and the World Bank. Donors include China, France, Russia, Britain, the United States, and members of the GCC.

Despite these pledges, it remains unclear exactly how and along what time frame the funds will be disbursed to a nascent government lacking infrastructure and authority. To date, only \$2.2 billion of \$7.9 billion pledged has been disbursed to Yemen. Disbursement of international aid also is related to concerns of domestic corruption. The Yemeni economy, its political system, and its tribal and military elites are intertwined in a political patronage system that makes reform efforts difficult. Control over state resources provides power brokers with authority and creates channels of influence and obligation that, if upset, can prove politically disruptive. Yemen was ranked 156 of 176 countries in Transparency International's 2012 corruption perception index.

Although the Friends of Yemen process indicates some degree of international support for Yemen's development, Saudi Arabia is, by far, Yemen's most important economic benefactor. Saudi Arabia has long sought to shape political and security conditions in Yemen as a means of preventing discrete threats from emerging on the kingdom's southern flank. The Saudi royal family has general concerns that a united Yemen, which is more populous than its northern neighbor, could one day challenge Saudi hegemony on the Arabian Peninsula. In the more immediate term, Saudi Arabia seeks to prevent Yemeni-based terrorists from conducting attacks inside the kingdom, Houthi rebels from establishing a Zaydi Shiite theocracy in Yemen's northern Saa'da governorate, and Iran from meddling inside Yemen. Saudi Arabia contributed several billion dollars in cash and fuel to Yemen between 2011 and 2012, but on October 22, the kingdom said that its aid to Yemen was currently on hold until "things settle down there." It is unknown why Saudi Arabia chose to withhold its aid to Yemen.

## Iranian Involvement in Yemen?

Iran may be exploiting long standing Yemeni regional grievances in the northern Houthi areas and former Southern Yemen in order to counter Saudi influence in Yemen. For years, Yemeni

<sup>16</sup> Humanitarian Bulletin Yemen: OCHA, Issue #19, September 5 – October 5, 2013.

leaders claimed that Iran has meddled in Yemeni affairs by supporting secessionist movements. Analysts long considered these claims to be exaggerated and aimed at attracting more financial aid from Gulf Arab states opposed to Iran. However, in recent years, there have been U.S. reports detailing alleged increased Iranian activity in Yemen. In the south, Ali Salim al Bid, the leader of the secessionist Southern Mobility Movement, has boasted publicly of his movement's willingness to accept assistance "from any regional actor"—a formulation widely interpreted to refer to Iran.<sup>17</sup> An unnamed U.S. official reportedly said in 2012 that Iranian smugglers backed by the Quds Force (an elite unit of Iran's Revolutionary Guard Corps) are using small boats to ship AK-47s, rocket-propelled grenades and other arms to replace older weapons used by Houthi rebels in the north, who belong to the Zaydi branch of Shi'ite Islam and have long sought regional autonomy.<sup>18</sup> In January 2013, the Yemeni Coast Guard intercepted a boat smuggling arms, explosives and anti-aircraft missiles. Yemeni authorities claimed that the weapons came from Iran, and Yemeni and Western officials suspect the arms were bound for both southern and northern militants.<sup>19</sup> Moreover, Hezbollah has reportedly provided financial aid and media training to southern Yemeni leaders in exile in Beirut, Lebanon.<sup>20</sup>

## Obama Administration Policy toward Yemen

Overall, the Obama Administration remains cautiously optimistic about Yemen's trajectory. The Administration has encouraged the United Nations, the Gulf Cooperation Council (GCC), and the Friends of Yemen to take the lead in marshaling international support for Yemen's transition process. Upon the official completion of Yemen's National Dialogue in January 2014, the State Department issued a statement noting:

While significant progress has been made, the work of Yemen's democratic transition is not complete. The United States remains firmly committed to supporting the Yemeni people and the government, under the leadership of President Hadi, as they work to implement the National Dialogue recommendations and subsequent stages of the transition process, including constitutional reform and national elections. We encourage all Yemenis to work in the spirit of compromise to advance stability, prosperity and security now and for future generations.<sup>21</sup>

Under the rule of former President Saleh, the United States and Yemen had a contentious relationship with regard to terrorism-related issues. U.S. policymakers were repeatedly frustrated by Saleh's lack of attention to the issue or even direct obstruction of U.S. efforts to counter AQAP. However, with the election of President Hadi, the United States has found a more willing partner in the effort to disrupt AQAP's ability to conduct international attacks and to fight a domestic insurgency. According to Daniel Benjamin, former Coordinator for Counterterrorism at

---

<sup>17</sup> Open Source Center Analysis: Yemen -- Southern Movement Overtures to Iran Spark Controversy, Document ID# GMF20120117256001 Yemen -- OSC Analysis in English, January 17, 2012.

<sup>18</sup> Eric Schmitt and Robert F. Worth, "With Arms for Yemen Rebels, Iran Seeks Wider Mideast Role," *New York Times*, March 15, 2012.

<sup>19</sup> "Fears Grow Over Yemenis' Ties to Iran," *Wall Street Journal Europe*, June 20, 2013.

<sup>20</sup> Ibid.

<sup>21</sup> U.S. Department of State, "Conclusion of National Dialogue in Yemen," Press Statement, Marie Harf, Deputy Department Spokesperson, Office of the Spokesperson, Washington, DC, January 25, 2014.

the United States Department of State, “He [Hadi] is everything his predecessor wasn't in terms of his determination, his understanding of the threat ... his determination to destroy Al Qaeda.”<sup>22</sup>

### Counterterrorism in Yemen: To What End?

As in other global theaters for U.S. counterterrorism operations such as Afghanistan and Pakistan, U.S. involvement in Yemen has raised broader questions related to both U.S. tactics and strategy, such as:

Do alleged U.S. air strikes against terrorist targets in Yemen alienate the local population, strengthen nationalist and anti-American forces there, and cause too much collateral damage—thereby exacerbating the terrorism threat over the long term? What alternatives do U.S. policymakers have to pursuing terrorists targeting the United States on foreign soil? How deep a terrorist network does AQAP have and will it be able to replenish its ranks? Can AQAP be compromised by foreign intelligence services or co-opted by the Yemeni government? Given all the challenges facing Yemen, for how long do U.S. policymakers expect to wage counter-terrorism operations there? How does the United States define success?

## Yemeni Detainees at Guantanamo Bay

The continued incarceration of Yemeni prisoners in Guantanamo Bay, Cuba, has long been a source of tension in U.S.-Yemeni relations. The Yemeni government has sought to repatriate and rehabilitate Yemenis detained at Guantanamo; however, U.S. officials have indicated concern that the Yemeni government, due to public pressure from Islamists, would be unable to properly detain and/or monitor returnees. The Obama Administration suspended repatriations to Yemen after the December 25, 2009, failed airline bomb attack by AQAP. In May 2013, President Obama stated his intention to close the detention facility and lift the moratorium against repatriating Yemenis. Amongst the 166 prisoners there, at least 89 are Yemeni nationals, of whom 55 have been cleared to return to Yemen and are expected to be transferred on a case-by-case basis. Some Yemeni prisoners were on hunger strikes to alert the public of their situation, and perhaps 17 Yemeni prisoners were reportedly force-fed by prison authorities.

According to one report, the United States and Yemen are conducting negotiations over the construction of a detention facility inside Yemen that would potentially house some Yemeni prisoners currently incarcerated in Guantanamo Bay.<sup>23</sup> Reportedly, both sides disagree over the funding for the facility and whether it would function as a traditional prison or as a “halfway house” for detainees to transition back into society.

For years, the United States and Yemen have discussed establishing a rehabilitation program in Yemen similar to the one operated by Saudi Arabia that uses clerics and social support networks to de-radicalize and monitor prisoners. Between 2002 and 2005, former Yemeni Religious Affairs Minister and Supreme Court Justice Hamoud al Hittar ran an unsuccessful “dialogue” program with Yemeni Islamists in which he attempted to convince prisoners that *jihad* in Islam is for defense, not for offensive attacks. More than 360 militants were released after going through the program, but there was almost no post-release support, such as helping the detainees find jobs and wives, key elements of the Saudi initiative. Several graduates of the program returned to violence, including three of the seven men identified as participants in the September 2008 bombing of the

<sup>22</sup> “Analysis: Yemen Leader basks in U.S. Favor as Drone Strikes Fuel Rage,” *Reuters*, August 13, 2013.

<sup>23</sup> “U.S. Holds talks about Yemen Detention Center for Guantanamo Inmates,” *Los Angeles Times*, November 6, 2013.

U.S. Embassy in Yemen. Yemen is one of the poorest countries in the world and has repeatedly sought U.S. funding for any formal rehabilitation program.

## **U.S. Assistance**

In annual foreign operations legislation, Congress does not typically earmark aid to Yemen, but the Administration makes country-specific requests for congressional consideration. After the passage of a foreign operations appropriations bill, federal agencies such as the State Department and the U.S. Agency for International Development (USAID) allocate funds to Yemen from multiple aid accounts. They then submit a country allocation report (653a Report) to Congress for review. Unlike much larger regional recipients of U.S. assistance such as Israel, Egypt, Jordan, and the Palestinians, which receive funds from two or three main aid accounts, U.S. aid to Yemen in any given fiscal year can come from as many as 17 different aid programs managed by multiple agencies, including the Department of State, USAID, and the Department of Defense. In June 2013, the Department of Defense notified Congress of its intent to spend \$47.3 million in FY2013 Section 1206 funding for counterterrorism security assistance in Yemen. This includes funds for Seabird Seeker Aircraft, Jeeps, and electronic and communications equipment. In December 2013, the Department of Defense notified Congress of its intent to spend \$64 million in FY2014 Section 1206 funds on precision strike aircraft, unmanned aerial surveillance, and training for Yemen's national military forces.

The State Department reports that the United States has committed \$256 million in assistance to Yemen to date in FY2013, in addition to the more than \$356 million allocated in FY2012. However, CRS can account for most but not all of these allocations. Program details are available in congressional aid obligation notification documents provided to the authorizing and appropriation committees of jurisdiction.

P.L. 113-76, the FY2014 Omnibus Appropriations Act, states that "None of the funds appropriated by this Act for assistance for Yemen may be made available for the Armed Forces of Yemen if such forces are controlled by a foreign terrorist organization, as designated pursuant to section 219 of the Immigration and Nationality Act."

**Table I. U.S. Foreign Aid Allocations to Yemen, FY2009-FY2014 Request**  
 \$s in millions

Account	FY2009	FY2010	FY2011	FY2012 Est.	FY2013 Est.	FY2014 Est.
I206 (DoD)	67.0	155.3	0	37.426	47.3	64.0
P.L. 112-81	0	0	0	75.0	NA	0
FMF (DoS)	3.0	13.0	20.0	20.0	18.989	20.0
INCLE (DoS)	0	1.0	1.8	11.0	5.001	3.0
NADR (DoS)	2.225	6.025	4.5	3.750	6.098	0
IMET (DoS)	1.00	1.153	1.100	1.064	1.044	1.1
ESF (DoS)	20.0	5.0	55.0	36.606	16.881	45.0
DA (USAID)	11.0	35.0	0	0	8.312	0
GHCS (USAID)	3.0	8.0	9.0	7.989	8.345	9.5
Food for Peace (USAID)	2.0	13.0	20.0	67.856	75.046	0
CCF (DoS)	0	12.807	0	0	NA	0
MRA (DoS)	10.0	13.0	23.0	19.738	18.885	0
ERMA (DoS)	0	7.800	0	0	NA	0
IDA (USAID)	.599	10.928	20.212	45.094	36.987	0
TI (DoS)	0	5.492	3.850	3.050	NA	0
I207	0	10.034	0	0	NA	0
MEPI (DoS)	1.958	0.332	n/a	0	NA	0
CMM (USAID)	1.600	1.200	0	0	NA	0
DCHA (USAID)	0	0	1.250	0	NA	0
<b>Total</b>	<b>123.382</b>	<b>299.071</b>	<b>159.70</b>	<b>328.573</b>	<b>242.888</b>	<b>142.6</b>

**Source:** U.S. State Department and Government Accountability Office, Report Number GAO-12-432R.

**Notes:** FY2012 and FY2013 totals are incomplete.

## Author Contact Information

Jeremy M. Sharp  
 Specialist in Middle Eastern Affairs  
 jsharp@crs.loc.gov, 7-8687